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COLLABORATIVE INNOVATION AND INSTITUTIONAL CAPACITY IN NORWEGIAN PUBLIC SECTOR

Abstract

Norway experiences that the administrative public sector structure with municipalities, counties and regions are not suited to handle the problems in the more functional territorial structure rising from urbanization and zoning of industry, services and housing areas etc. Problems with infrastructure, housing, industry, public health, commuting etc. are related to each other and interact in a functional process and structure across the administrative borders. These problems are often complex and sometimes as even wicked, and there is a growing understanding on national level that the existing administrative structure must be changed and adapted to the functional territorial structure. The preferred political solution at national level is to amalgamate municipalities, counties and regions and make them bigger units and more territorial similar to the functional activities and structures. This national policy implicates great changes, and is met with reluctance and opposition at the local level. However, there seem to be an agreement across the governing levels that collaborative innovation is needed in order to handle the complex problems, but the existing mismatch between the administrative and the functional spatial structure, and the influences of New Public Management seem to create a blurred responsibility, an institutional egoism and make collaborative planning and innovation very demanding. To have a local and regional institutional capacity becomes a decisive demand. In this paper, I will present several cases trying to cope with the complex problems and fuzzy responsibilities, and I will discuss their planning activity and their institutional capacity and legitimacy as political actors.

1 Introduction

Successful innovation in the public sector means creating and implementing new processes, goods and services, and implementing new delivery methods that lead to appreciably improvement in productivity, efficiency and quality (Mulgana and Albury, 2003:3). In this paper, we discuss seven public sector development cases against this theoretical concept of innovation. We distinguish between the linear and interactive understanding of the concept, which also can be found in planning theory as instrumental and communicative planning, and learning theory as instrumental and communicative learning. The discussion of these notions reveals that the main challenge in both

theory and practice is to combine them. This is no new knowledge, and it is discussed in many fields of science, not least in planning theory (Allmendinger, 2009; Healey, 1979; Healey, 2005; Sager, 1992 etc.). By using the concepts instrumental and communicative rationality, we tie the different understanding of innovation to planning theory and learning theory. In the planning discipline there seem to be a growing understanding that planning, reporting and learning should be tied together in a management system with institutional, strategic, tactical and operative levels, and that such a systematically and continually management work can promote innovation (Amdam, 2014).

There are similarities between systematic innovation in the private and public sector. It is expected of both sectors that they are innovative in own organization and showing social responsibility by contributing to innovation in society otherwise. For the public sector, this responsibility for promoting innovation in society is far more pronounced than what it is for the private sector. Moreover, there is still no reason to exaggerate the difference between the private and the public sector when it comes to innovation as a process. The typical innovation processes and the driving forces in the processes seem to be much the same, and much of the innovation research today is about how to stimulate collaborative innovation where both private, public and voluntary actors participate (Sørensen and Torfing, 2011a and 2011b).

Only one of the cases in this paper, the Forus Business Park, can be said to represent collaborative innovation across the public and private sectors. The other cases are also collaborative, but mainly between public actors. The selection of cases is based on available master thesis from over planning and leadership master program, and represent development work in width and insight, and the different levels in the planning and management system. The purpose is to show examples of how innovation is conducted in the public sector. The strength of this approach is that the reader can see the width of the innovation effort in the public sector, and that the cases to some extent discuss the decoupling between levels, for example between wished development at the strategic level and implement actions at the operative level. This phenomenon is referred to in the organizational theory (DiMaggio and Powell, 1983; Meyer and Rowan, 1991; Røvik, 2007). The phenomenon is also featured in the planning theory by Kleven (1990) which uses the concepts Sunday theory and Everyday theory to characterize the decoupling of goals and practices in result oriented planning in a municipality.

2 Summary of the cases

Communicative school development. In this case, Moltudal (2012) discusses the collaboration between different actors and levels at a Secondary school during implementation of the national reform Knowledge Promotion (Kunnskapsløftet). The case is an example of change work at institutional level and illustrates how the context in the form of a national reform affects a school, and promotes both process and organizational innovation. In this case, there are implicit and latent tensions between

instrumental and communicative rationality. This is a polarization which the author uses pervasive in the study, both to position the theoretical perspectives, but also as theoretical terms to shed light on both theoretical and empirical approaches to problems. The cases show how the instrumental and communicative rationality collide in schools as an arena when reforms are implemented, and show the essential role teachers have to fill in the space between the top down and bottom up forces. The author summarizes the empirical data writing that the teacher section, through its cultural, geographical and academic "outsider position" in relation to the rest of the organization, largely had to take responsibility for implementing the reform using a communicative process. This deliberative process put critical light on existing practices, and the process uncovered, to a greater extent than before, that every teacher had individual knowledge, qualifications and values. The process led to a distinct culture in the teacher section where experiential learning and planning stand strong, and that takes care of both the individual and collective autonomy that is rooted in the overarching reform guidelines from the Ministry.

Shared values in municipal management and leadership. In this case, Vikhagen (2012) presents how a municipality worked systematically to develop common values. The case represents process innovation at a strategic management level and shows how the value debates may support the municipal planning and the goal and results based reporting. The author writes that the reason for developing core values can be related to a number of organizational issues. She stresses that a characteristic of a municipal organization is that the employees ultimately receive its mandate from the municipality inhabitants. Leadership processes can therefore not be independent of the municipality as the basic political organization. The political rationality is an important part of the context. She points out that it is in a value debate important to clarify the purpose of a municipality. It is expected that a municipality shall realize human, academic and economic values. Users expect to be treated with respect, care, justice and equality. Structures and systems for feedback and a broad willingness in the organization to participate in these processes are therefore necessary. To open up for debate of values, let inhabitants and users take part in the debate through surveys or other dialogue is a way to reconcile identity and reputation. The author shows that in a value based leadership, the leaders are important in the change work, but the author found that her informants deduced the decided common values differently, and interpreted their role in influencing the municipality identity and reputation differently. In conclusion, she writes that in an increasingly more complex society, interaction skills and ability to handle disagreement are crucial competence needed for an organization in order to create belonging to a community.

Municipal economic four-year plan as an innovation promoter. In this case, Haraldseide discusses to what extent this economic plan promotes innovation. This case is an example of planning at the tactical management level, and is about process, organizational and product innovations. The author writes that the economic plan shows that the municipality uses more resources on schools than

average, and less than average on health care available for older, and that her informants not were willing to reduce the school budget, but rather cut the health care budget "to the bone" if necessary. This political willingness when it comes to schools seems to be guided by values that are tied to the term "living communities". The informants argued that schools through centuries have been cultural lighthouses in the villages and made small communities livable. Her informants say that they see that the teaching and learning at the small schools need to be improved, and that the costs of special education heightens, something that may indicate that the schools are in a "vicious circle", but still they do not want close down the small schools. Haraldseide concludes that value standpoint related to the education sector in a municipality obstructs needed changes and innovations. Health and care in the community is not marked by such conserved values, and here the change and innovation rate is far higher.

Interactive patient care in cancer care. Lindseth (2012) has interviewed different people with cancer about how they experience the everyday live after attending a rehabilitation residence. The case stands as an example of process and product innovation at operational level. Capacity and capacity building are central concepts in the study. The author writes that new treatment methods have increased the number of cancer patients that survive the diagnosis and can be cancer free or live with the illness. However, late effects after cancer treatment, such as fatigue, affect the quality of life and thus the opportunities to self-mobilization, and are perhaps the biggest factor that prevents capacity building. He finds that rehabilitation leads to a self-mobilization, but that there is a great need for individual adapted support afterwards. The great majority has learned useful lessons, or has become aware of possibilities, especially physical possibilities. However, it is revealed a need for maintenance of knowledge and sustained motivation after coming home. He writes that experiences from cancer survivors are varied and contrasting, and that the degree of capacity building for participants after rehabilitation depends on an individual approach and follow-up in the home environment and the municipality. The case shows that there is a need for rehabilitation long after ended treatment at a residence. The new national cancer strategy outlines a linear "cancer proceeding", but the author argues for a more continues and interactive proceeding where private, voluntary and public actors are engaged in collaboration and reflection on social practice. He argues that the actors must cooperate more and they must see patient care as an interactive and not a linearized process. If so, the potential for successful individual and institutional capacity building certainly is true.

Planning, reporting and learning in hospitals. In this case Sandersen (2011) discusses how planning and the reporting function in a clinic at Oslo University Hospital, and how leaders use processes to promote learning and innovation. The case is an example of both process, organizational and product innovation and emphasis the relationship between institutional, strategic, tactical and operative planning and management levels. Major changes and restructuring has occurred through the past 20 years in Norwegian hospitals and health care in general. Last, but not least, is the merge between

hospitals in Oslo; Rikshospitalet, The Norwegian Radium Hospital, Ullevål University Hospital and Aker University Hospital, which came into force 01.01.10 under the name Oslo University Hospital, also called OUS. She writes that her informants feel that changes and restructurings have become an common part of the hospital everyday life, and that it is therefore crucial that leaders at all levels have a reflective and conscious relationship to processes of change. Simultaneously with restructuring or precisely because of the restructuring, leaders are in a cross-pressure between the requirement for financial savings and satisfactory quality services provided to the patients. She finds that the strategic plans to a small degree contribute to learning and change at section level, because section leaders who will organize and implement changes do not feel that they have had the opportunity to participate in the strategic planning. Only one-half of section leaders at the Woman and Child Clinic regard visions and strategies as usable objectives in their daily work. The other half believes that the strategic plans are only fine words on paper and even hinder daily operations. Inadequate connections between vision, strategy, organization and operations, seem to have significance for learning and thus for opportunities to implement changes. On tactical and operational level where the planning of the organization and implementation of changes shall be done, the informants experience limited rooms of action. They have observed that different forms of reporting is useful and that they learn much that is important for further planning, organization and implementation at the tactical and operational level, but that this is not learning in a broad sense. They feel that the reporting largely requests numbers and measurable data. The section leaders say that these data are important, but that they only describe parts of the reality. They experience that they receive little response when they report the quality of services for those patient groups they serve. Sandersen concludes that more dialogue and participation in the processes can legitimize the plans and reports and stimulate innovation.

What kind of learning happens in planned change processes at three university colleges? In this case, Furnes (2012) focuses on what kind of learning, or more correctly, on which learning level one can register learning in a planned learning processes. The case is an example of the link between planning and learning in management, and is about process, organization and product innovation. With a qualitative approach, she wishes to elevate the voices of the participants in such processes. Informants are both leaders and teachers. She finds that the participants have learned that external pressure was what was needed to get started and implement the organizational change processes. In two colleges, there were a real threat to the existence of the nurse education program. The outer pressure gave the leadership the opportunity to amalgamate the two programs. A general trend towards larger unites within the graduate education seems to have reinforced this external pressure. The informants learned that processes of change create commitment and that this commitment is a driving force in change processes. Informants have otherwise learned that traditions are important into processes of change, and that the process creates an increased need for information. However, at the same time the capacity to absorb the information seem to be reduced. Both leaders and employees learned about increased

expectations regarding firm leadership of the process, but they have also learned how difficult it can be to meet these expectations. The local leaders learned that they could calculate with good but general support from their leader, and that the employees expected a great degree of participation in the process. When Furnes with a few words sums up what in general can be learned from this planned organizational change processes, it becomes apparent how complex and demanding change processes are. This complexity implies that most aspects of the organization are involved, in particular the values and cultural aspects, but also the regulating and practical aspects. She stresses that participants have learned that these various aspects of the organization go into each other, affects each other and must be seen in context. Furthermore, they learned both what plans are needed, but also what kind of value-based planning processes that are needed in such processes of change.

Forus Business Park - a force for democracy or a loose cannon for regional planning? In this case, Bjelde (2014) discusses the historical battle about the locations for Statoil Head Office and the development of Forus as an industrial site, and later on, the Forus Business Park as a company and regional development actor. This collaboration between private and public parties, and the unity between the actors over time, has become crucial for the region's ability to meet challenges and find solutions for the benefit of the region. Perhaps especially within the industrial development, but also within transportation and infrastructure, and not least the University of Stavanger can be deemed as the product of this strong partnership. The aim of her study is to get more insight into the interaction between the involved actors, the legitimacy of this intermunicipal collaboration, and to gain knowledge about how power and status of the various actors affect democratic processes. Starting with (Scott, 2013) she operationalizes legitimacy in three institutional mechanisms; regulative, normative and cognitive which constitute the institutional environment. In addition comes the pragmatic legitimacy representing the technical environment. Bjelde concludes that the company's success is tied to the pragmatic legitimacy; the company works and is regarded as useful. The company has managed to implement activities and create output legitimacy and has a strong regulative support from its owners (the municipalities). There is now a strong legitimacy based on regulative and pragmatic legitimacy, while there are weaknesses in the cognitive and normative legitimacy. It appears that the company's activities and strategies are not adequately anchored, or have achieved sufficient legitimacy in the region. This causes that the company might not take out the legitimacy potential that can be found among other actors in the region. When it comes to regional planning, the business park is regarded as a private company, and is expected to influence the planning from the outside, as an ordinary actor that can react on the official plans. It may nevertheless be mentioned that the company has a strong political power from the outside, through agenda control and influence on democratic decision-making processes, through relationships, networking and the status of key players in the company. There are indications in the data material suggesting that this power, because it takes place outside the ordinary democratic processes, may lead to a reduction of input legitimacy, because some

actors may perceive the process as illegitimate lobbying, or some actors may experience not to be included in the processes.

3 Increased need for acceptance and legitimacy

Innovation is not a goal being directly mentioned by the actors in the cases, but all cases have potential innovations in themselves through implementing new processes, services and delivery methods. However, in order to be defined as innovations, the changes need to make improvements in productivity, efficiency and quality (Mulgana and Albury, 2003:3). What we can say, is that the cases represent public sector change work, and that more thorough systematic evaluations are needed in order to say to what extent the cases can be deemed as successful innovations. It may not be desirable that this evaluation only is conducted as an instrumental research mission, because the assessment of the results in the public sector may vary from person to person. In order to have a good mix of quantitative and qualitative data, a collaborative evaluation and learning with an open and transparent discussion of how the data can be interpreted, need to supplement the instrumental evaluation and learning.

We will say that these cases have in common that innovation in the public sector aims to safeguard these public sector units' existence by increasing their acceptance and legitimacy. Thus expressing that the welfare state is currently facing major challenges, something that has led to an extensive change wave in the public sector (Kettle, 2000). However there are few evaluations trying to measure the effect of these changes in the public sector (Pollitt, 2002), and the evaluations conducted show a complex pattern of both positive and negative effects (Pollitt and Bouckaert, 2000).

Public sector existence is not just based on law, regulations, decisions and allocated money (input), but is also based on assessments of how the public sector actually delivers in relation to objectives and expectations (output and outcome). In the actual situation the solution is not automatically more input when the society asks for better output and outcome. The increased focus on acceptance and legitimacy is a logical consequence of the introduction of goal and performance management in the public sector (Veggeland, 2004 and 2009).

If we take the public schools as an example, it is now much talk about rebuilding the status of the teachers by among other efforts, to give them a longer education (masters). This is what we can call the input legitimacy. Nevertheless, how the government system works today, this is not sufficient. The teachers must deliver outputs and outcomes that meet the production target and expectations. Low scores on national and Pisa tests as well as many school leavers lowers the general acceptance and legitimacy of the teachers and the public schools. Here we use schools as examples, but the situation is equivalent in many other parts of the public sector, which the cases above show.

Thus change work and innovation becomes an important tool. Low output and outcome legitimacy can be caused of lack of resources and expertise, lack of appropriate structures and processes, and not

least, lack of change culture and change stimulating management. Something that cases in this paper show may be the case. We also notice that these change works are marked by incrementalism and small steps forwards. However, the municipal reformer with new large municipalities can become a radical change. Larger regions and municipalities imply that regions and municipalities must organize themselves otherwise. If so happens, the reform without doubt can be called destructive construction in the term of Schumpeter (1949).

Furthermore, it is important that legitimacy can be based on both instrumental and communicative rationality and logic (Weber, 1971). Instrumental rationality can justify the public sector by technical and economically efficient production of goods and services (output legitimacy). For the public sector, this is not enough (Eriksen, 1993). Legitimacy must also be based on communicative rationality. This means that the process through communicative logic must make the public sector more democratic, transparent, fair and humane (outcome legitimacy).

In the modern society the instrumental logic dominates the communicative, but Habermas (1995) and many with him (for example Dryzek, 1990; Friedmann, 1992; Forester, 1993; Healey, 1997 and 2005) believe that in a political legitimating process, the communicative rationality must override the instrumental rationality. It is the better balance between the two logics that Habermas (1995) argues when he writes about several different discourses, which together form his process model for political legitimating. The combination is also clearly seen in Scott's contribution to new institutional theory when he distinguishes between technical and institutional environments. The institutional environment is threefold: regulative, normative and cognitive mechanisms, and coexist with the technical environment, which in sum give organization their legitimacy (Scott, 1998: 134).

1. **Regulative mechanisms.** These requirements in societies have a legal basis that is decided by the politicians. Here we find the laws and regulations that the organizations have to follow for not being judicial punished. This is also called legal and regulative legitimacy and can be promoted with Habermas' legal discourses.
2. **Normative mechanisms.** This is rules for what is expected of organizations and what organizations can do, that is to say the norms and values that convey what is right and wrong and what is ethically and morally accepted behavior. This are called normative legitimacy and can be promote with normative discourses.
3. **Cognitive mechanisms.** This is thought constructions in terms of models that conveys what an organization is and how it should behave. This also includes the image the organization gives of one's self. This is also called cognitive legitimacy and can according to Habermas, be promoted with ethical-political discourses.

4. Technical Environment is where the organization's production of goods and services takes place, where goods and services are paid for, and where productivity and efficiency are evaluated. This involves assessment of benefit and the calculation of benefit versus cost. The activity is all about pragmatic legitimacy and coincides with Habermas' pragmatic discourses.

Suchman (1995) discusses the different approaches to how an institution can create, maintain and develop its legitimacy. Suchman distinguishes between pragmatic, cognitive and moral legitimacy. The regulative legitimacy is in his model a part of the context. What is useful for us to take further is what he writes about strategies to achieve and to maintain legitimacy. He regards legitimacy construction as a proactive process where leaders are important (Suchman, 1995: 587). His strategies constitute a continuum from relatively passive conformity to active change. The logic of this approach is that changes can be interpreted as measures to adapt to expectations in the environment, and thus help to increase the acceptance and legitimacy. Several other authors have contributed to the development of this perspective. DiMaggio and Powell (1983) emphasize that changes may be the result of desire or pressure to achieve conformity in relation to the environment. Meyer and Rowan (1991) emphasize symbolic and ceremonial changes, and a Norwegian contribution by Røvik (2007) emphasizes that changes are expressions of dominating ideas and trends that are tradable and moved between contexts. These contributions convey that there are two ways an organization can assert its existence: (1) either through the creation of technical, rational and effective or (2) by satisfying the expectations that are in the environment about how the organization shall perform.

4 What make a change an innovation?

What do these cases tell us that may be useful to take with them further in the public sector innovation? Firstly, we highlight the fact that the knowledge and experiences that we have from planning and development studies of communities and organizations are relevant and may be used in the innovation processes. Changes and improvements do happen continuous and more or less random or planned based on new insights and knowledge. Concepts and models developed to understand, explain and improve planning and learning process can be used to understand, explain and improve innovation. According to (Mulgana and Albury, 2003: 3) public sector changes can be called innovation, when changes in processes, goods, services and delivery methods satisfy one or more of these four requirements:

1. *The change should lead to increased productivity.* Innovation in the public sector must have users and providers who consider the services as helpful for them, which simplify their work or save time and resources that they can use on others tasks. Furthermore, all new products and services that involve costs of developing and operating them must be regarded as cost

efficient. This means that productivity must be good, and preferably better than before the innovation. Increased productivity will contribute to increased pragmatic legitimacy.

2. *The change should result in increased efficiency.* Good productivity is to produce without unnecessary waste of resources, and good efficiency is to produce the right in relation to specific objectives. Objectives can be called mental models of what is accepted pattern of behavior, organizational structures, culture, and processes. If the objectives are unclear, the mental models also will be unclear, and allow for interpretations and adaptations that can foster conflicts. Anyway, increased efficiency can lead to increased cognitive legitimacy.
3. *The change should result in increased quality.* The term quality is unclear and is used differently in many contexts. We use an understanding of the concept that defines quality as the totality of features and characteristics of a product or service that on its ability to satisfy given needs (Evens, 2011: 5-6). Quality has both an objective and subjective component. It make sense to measure quality objectively using indicators such as for example inhabitants per doctor, survival five years after an operation, drop out from schools, etc. These quantitative indicators need to be supplement with the service recipient's subjective perceptions of quality and thus how their needs and expectations are being satisfied. Real quality assessments need arenas where one discusses both how the situation is perceived and how the situation should be. Only a process that combines indicators and discussions can decide if changes are innovations in the way that they have resulted in increased measured and perceived quality. Good quality can increase the normative legitimacy of the provider.
4. *The change should be within the contextual framework.* All innovations are contextual, and laws, regulations, plans, programs, projects etc. are regulative elements in this context. Changes cannot normally be in conflict with the context in order to be considered as innovation. Changes in the law and regulations can be an innovation. Changes and reforms in the public sector often require changes in laws and regulations. Thus, changes in laws and regulations may be the result of an innovation and become the start of other innovations.

Finally, we will add that when Lundvall and Johnson (1994) discusses the concept of *learning region*, he emphasizes that knowledge is the fundamental resource and learning the most important process in the global commercial competition that no exist. I see no reason why this argument not also applies in the public sector. The interactive learning process should contribute to learning at the operational, tactical, strategic and institutional levels and should contain pragmatic, ethical-political, moral and legal discourse. Several of the cases presented in this paper show that changes at one level is almost impossible because they depend on changes at the level above. For instance, the strategic value of small local schools overrun the well-documented and needed change at tactical and operative levels. In that case, we will say the organization lacks innovative capacity. This conclusion leads us into a discussion of the necessary conditions and preconditions for successful innovation.

5 Structural powers and innovative leadership

How well the involved actors are able to do collaborate in planning, acting and learning, are crucial for the organization's capacity to innovate. Based on research and our cases we believe that the way we manage public sector makes a structural force on the actors, and therefore it becomes an important leadership task to promote innovation given the actual structural forces. Hartley (2005: 28 and 29) identifies three competing paradigmatic concepts for public management and leadership that are structural forces that influence public sector's ability to innovate:

1. *Traditional Public Administration* organized as Weberian bureaucracy with a hierarchical and commanding leadership function that implies a separation between expert and client.
2. *New Public Management* based on an order and provider model, a result oriented leadership function and a separation between provider and customer.
3. *Network Governance* based on organized networks of interdependent and equal actors. Here citizen participation is emphasized and the important leadership function is to create good and inclusive processes of reflection and learning.

Public sector is large and the regimes exist side by side, and they partly overlap in each other. This is both functional and desirable since the three regimes have different characters and thus have different options to function optimally in various organizations and environments. Hartley (2005: 33) stresses that actors are important in innovation, but that are also groups, teams and critical mass of support. Therefore, it is important to supplement the traditional hierarchical model of innovation (Traditional Public Administration) with a clear understanding of what constitutes innovation and how public leaders can work together with others to promote innovation (Network Governance).

Sørensen and Torfing (2014: 2) write that insight into innovation calls for reflection about public management and administration, and a change of the total public management system. They argue that a stronger emphasis on New Public Governance, or what Hartley calls Network Governance is needed because New Public Management to some extent have failed to stimulate innovation.

All the cases we have analyzed above have collaborative processes, and the cases seem to imply that New Public Governance is a prerequisite for improving productivity, efficiency and quality through innovation. Sørensen and Torfing (2014: 9) argue this view based on Nyhan (2006) who have found that trust based leadership based on collaboration, mutual evaluation and empowerment, motivate public employees to solve problems and encourage collaboration and innovation. Furthermore and based on Wart (2013) they write, that collaborative leadership emphasizing creation of good, constructive and purposeful processes can counteract organizational and sectoral boundaries, and can stimulate transparent planning and transformative learning. They further refer to one's self and write

that collaborations unlike competition will promote the exchange of knowledge, ideas and resources and generate support for new and innovative strategies (Sørensen and Torfing, 2011c).

6 Conclusion

Successful innovation, learning and planning need systematic work over time and combination of instrumental and communicative logic. Innovation in public sector requires interactions that include critical acknowledgment and new practices. Leaders can stimulate innovation, but innovation needs processes that manage to combine quantitative calculations and qualitative stories. Such processes have the planning profession been studying for many years and we know a lot of how such processes successfully can be organized in the public sector. If such planning shall serve collaborative innovation, public sector must be organized more by ideals for New Public Governance. The emergence of this network administration can be deemed as a reply to the weaknesses of the Traditional Public Administration and the New Public Management. In contrast to New Public Management, the New Public Governance consider complexity, fragmentation, silo thinking and selfishness entities that are part of the problem. This entails that the interacting actors must acknowledge that they are mutually dependent on each other and trust each other, in order to solve wicked problems and satisfy the needs. This has to a certain extent occurred in the public sector, but the challenge, or more correct the paradox, is that actors working in public sector organizations dominated by the Traditional Public Administration and the New Public Management regimes, are so structured by these regimes that they find participation in network governance very demanding. Therefore it is important that public leaders contribute to design and implement governance structures, planning and learning processes, and create cultures with values, attitudes and actions that promote collaboration and more public sector innovations.

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